Marketers, Business Development, and the Action Officer

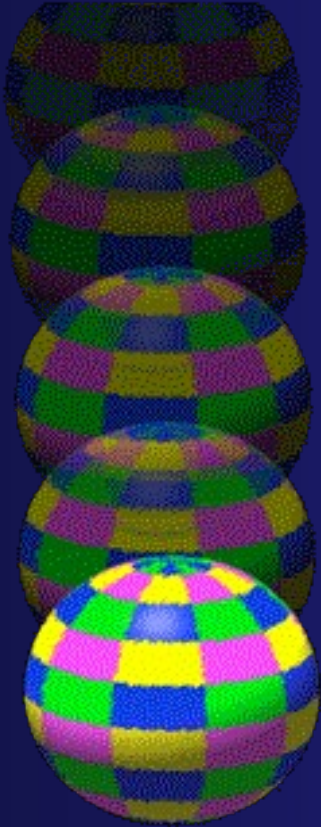**"The Care and Feeding of Information and/or Disinformation"**

Who is the Instructor?

- **COL. ROBERT G. SPEER**
  - Chief, Requirements, Planning, & Acquisition, HQ AFRC/XPR, OL-S, Wright Patterson AFB, OH
  - Business Development Manager, Frontier Engineering, Inc., Dayton, OH
  - President, Dayton Acquisition & Marketing, Dayton, OH
  - Business Development Manager, Logicon, Inc., Strategic & Information Systems, Dayton, OH
  - Program Manager, Logicon, Inc., Strategic & Information Systems, Dayton, OH
  - Marketing Manager, Cubic Corporation, Defense Systems, Dayton, OH
  - Business Development Manager, Unisys, Defense Systems, Dayton, OH
  - Acquisition Program Manager for Airlift Training Systems, Air Force Systems Command, Aeronautical Systems Division, Deputy for Simulators, WPAFB, OH
  - Acquisition Program Manager for Simulation New Business
  - Flight simulator Project Officer
  - Advanced Flying Training Instructor Navigator
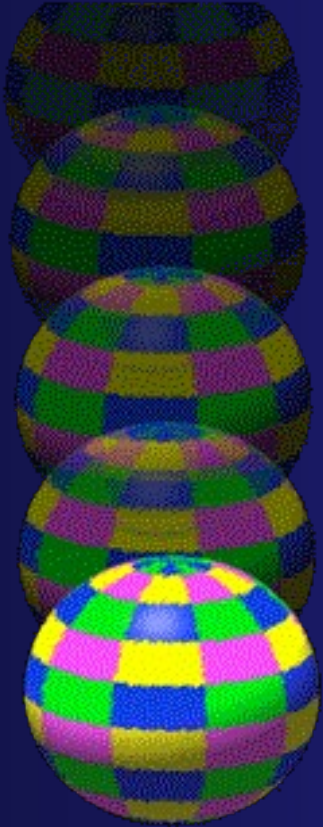 - C-130 E/H Navigator and Instructor Navigator
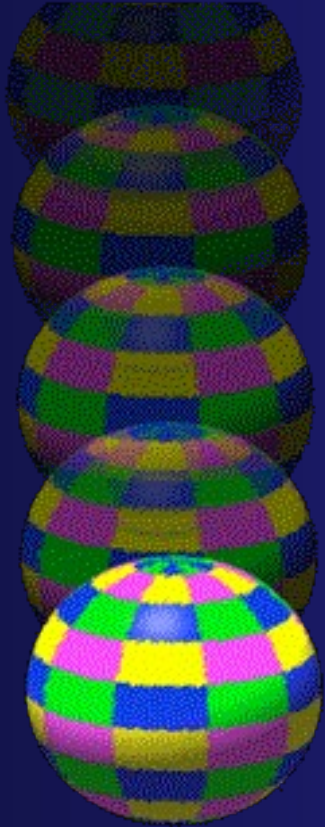
Overview

- Roles & Missions (Old vs. New)
- Interfacing
- Ground Rules
- Their Business Process
  - Conferences and symposiums
  - Action Officer Interfacing
  - Strategies to Success
  - Program Development Manager (PDM) Roles and Responsibilities
  - Long Range Planning
  - Business Development Process
- Summary

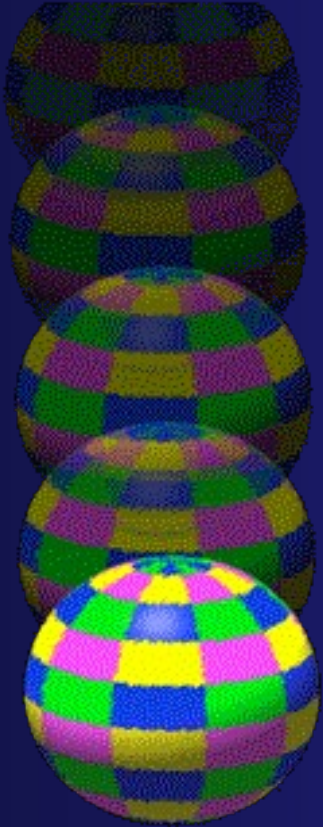# The Role of Business Development

(Marketing Toad)
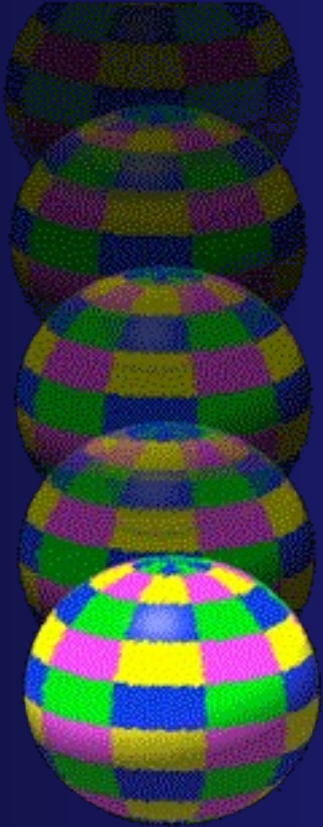
Conferences

and

Symposiums

Outline

- Why attend?
- Why participate?
- Marketing Objectives
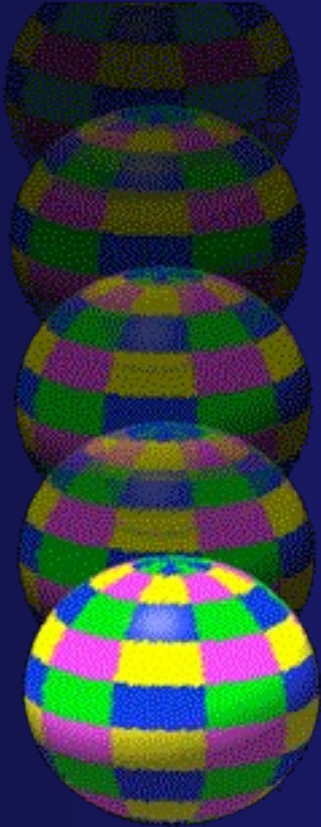- Conference Assets

Why Attend?

- See New Products and Developments
- See a Specific Product and/or Company
- Attend Technical Sessions
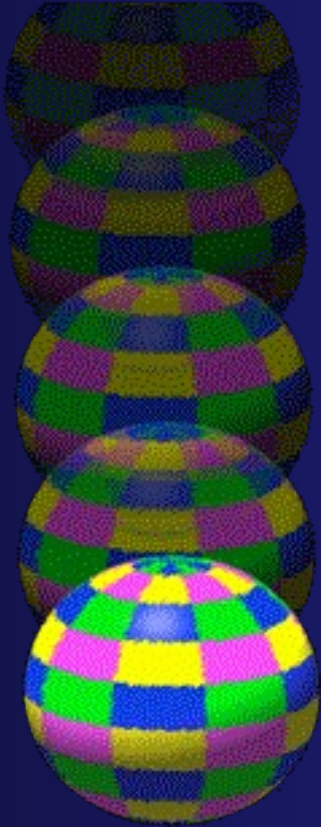- Obtain Technical or Product Information

Why Participate?

- Generate Leads and Inquiries
  - Government engineers/management
  - Other contractors
  - Attend due to location (Travel $)
- Introduce New or Current Capabilities
- Maintain and Increase Company Image/Exposure
- View Competitor's Exhibits
- Remain a Participating Member of the Local Aerospace Community
- Make Face-to-Face Contact with Prospects at a Reasonable Cost Advantage
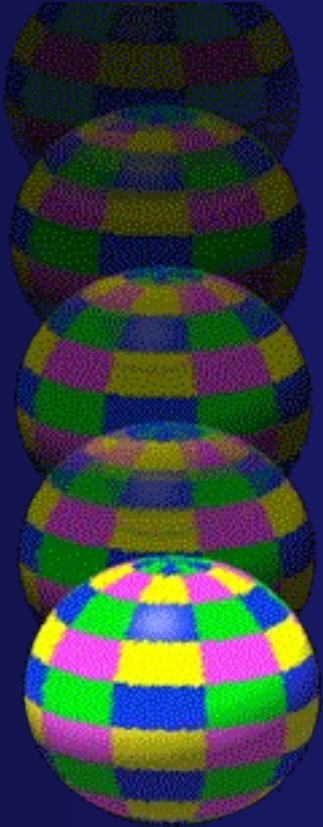
Marketing Objectives

- Provide Information and/or Instructions on New Products/Services/Capabilities
- Provide Demonstrations of Product/Service Applications
- Stimulate Greater Appeal on Old Products/Services
  - Object is to inspire new interest
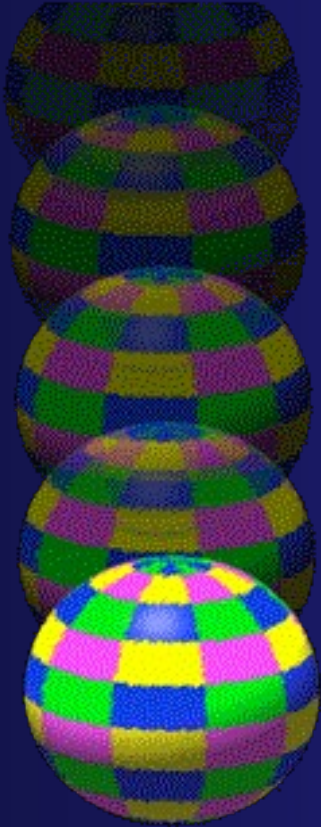- Obtain Leads and Points of Contact

Networking is important.

Marketing Objectives
(cont'd)

- Uncover Product/Service Problems
  - Listen to customers and visitors
  - May provide a method to correct
- Influence Customer's Thinking or Attitude
- Promote Total Corporate/Divisional Capabilities
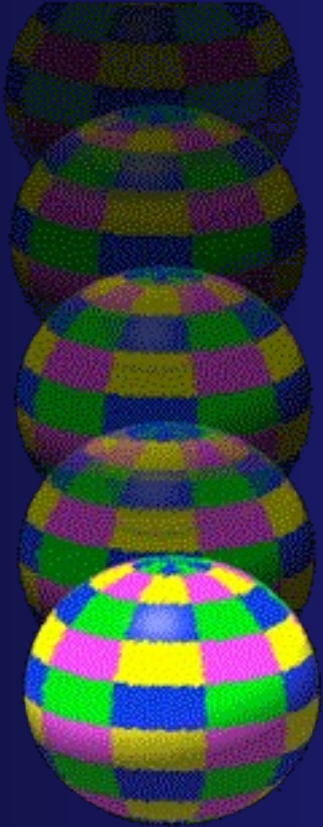 - Show the BIG picture
  - Draw on those assets

Conference Assets

- Booth
  - Portable
  - Reconfigurable
- Handouts
- Video Tape/CD's/Web Site Addresses
- Other Methods to Attract People to the Booth

Conferencing

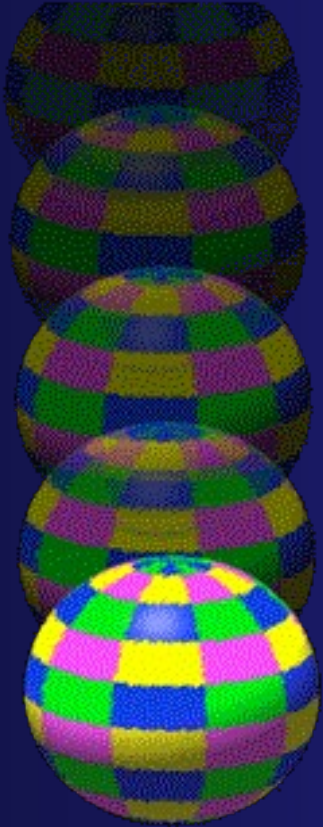- Part of Networking
- Important to the Action Officer
- Next Interaction is Interfacing...

Interfacing

- Marketing Folk's Role
    - Two-way Communication
        - They need to know where to recommend investing company B&P/IR&D
        - They can help with political process involvement
        - Keep Corporate out of trouble or redirect their efforts
            - from unofficial feedback from you

Interfacing (cont'd)

- Three-way Communication
  - One company info vs. another

    They help keep communication going when the official world stops. They can act as mediators when disagreements get ugly.
- Jump the Corporate Communication Chain
- Effective Assets
  - Know how to use
  - Part of the contract process
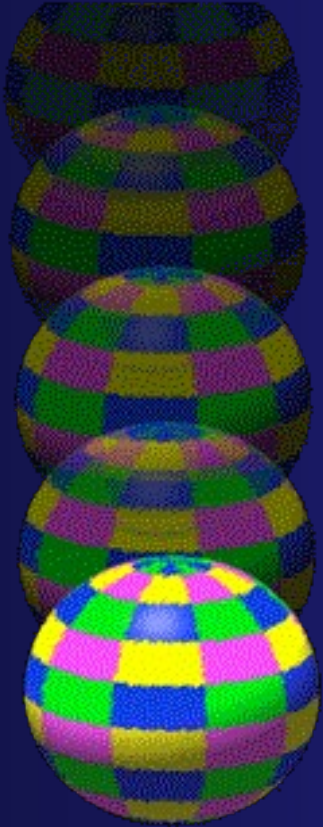
Interfacing (cont'd)

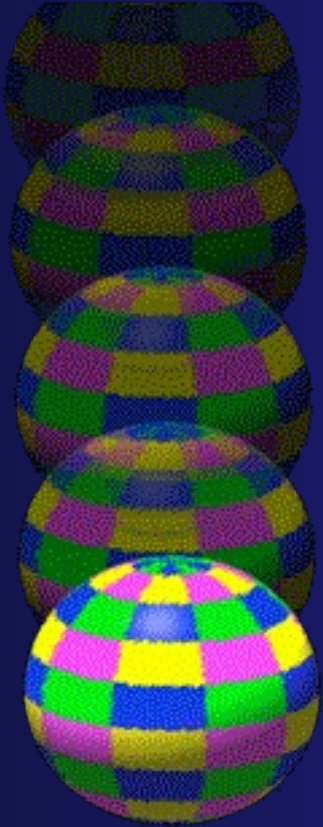- How You Can Play
  - Communicate with them
    - Provide Status of/Commitment to new programs
    - Let them do research for you
      - run the trap lines/point papers/Technical white papers/Technical Assessments/Acquisition Strategies
    - Find out what companies are doing in areas you are working "networking is good"
    - Value added for the time spent

Interfacing (cont'd)

- Caution
  - Any dollar estimates provided "as just ROM"
  - Some reps more useful than others (some just suck up your time)
  - Know the gang. It is a profession, not just the Good-old-boy Network
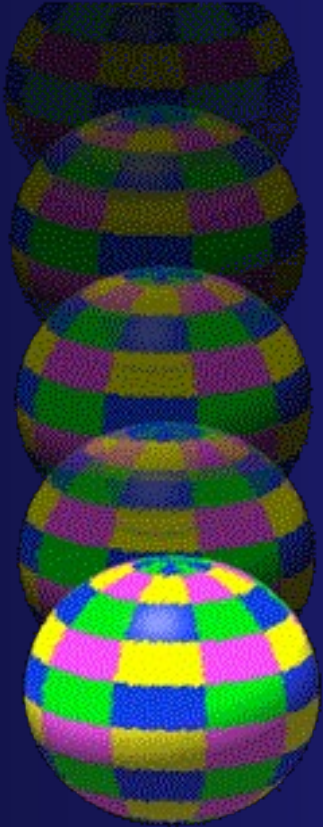
Ground Rules

- Fairness to all involved
- Protect sensitive information
  - Dollars
  - Do not limit technical/management approaches
  - Issues between government organizations
- Provide equal access to all
- ROE
  - Limited time
  - Ask what they want
  - Keep it professional

Fairness and integrity are absolutely required.

Future Shock Principles

- Complex Sale
  - Several people involved
  - Approval rights
- Whatever got you where you are today is no longer sufficient to keep you there
- Success Today Depends Upon
  - Identify what you are doing
  - Why you are doing it
- Change
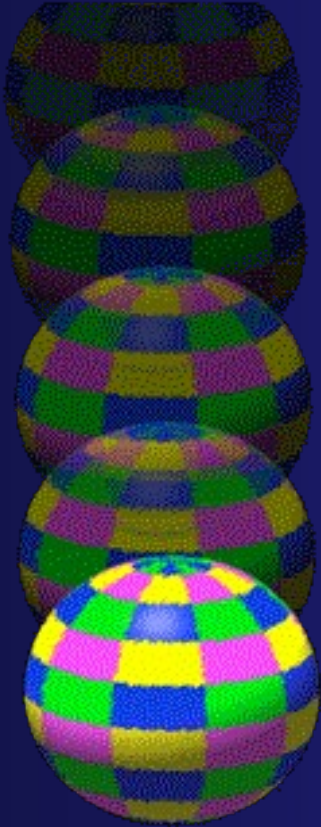
Definitions
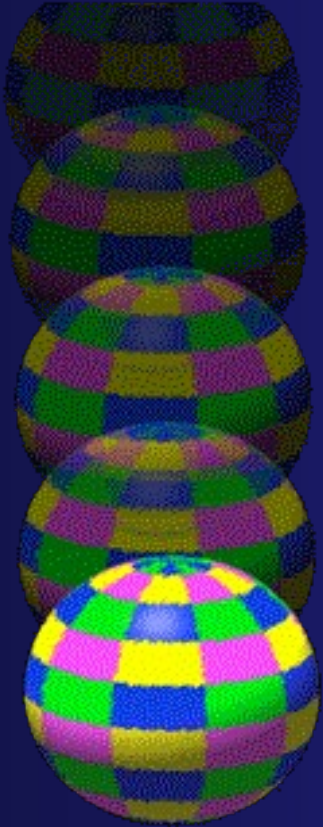
- Strategy
  - Art/science of moving one's forces to the most advantageous position prior to the actual engagement
- Tactics
  - Art/science of arranging & maneuvering forces in action on a face-to-face basis
- Strategy = Planning and Tactics = Action
  - Must work together
  - Strategy must come first

Strategy to Success

- Analyze
  - Current position(s)
  - Specific sales objectives
- Possible Alternate Positions
- Best Position
  - To secure objectives
  - Devise action plan
- Implement Action Plan
- Factors to the Process
  - Review, feedback, and reassessment
  - Whole key to strategy is position

Elements of Strategy
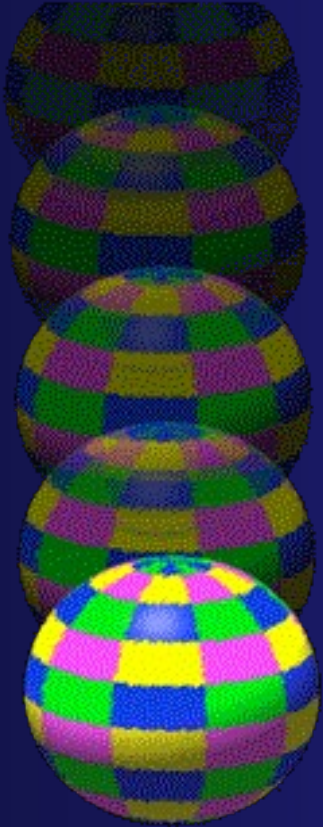
- Buying Influences
- Red Flags/Leverage From Strength
- Response Modes
- Win-Results
- Sales Funnel
- Ideal Customer

PDM Objectives

- Understand and advance your operating unit's strategies
- Identify and qualify prospects that:
  - Are in the right business
  - Pass the win probability threshold
  - Are the right size to meet booking goals
  - The cost to win is worth it
  - Do not violate corporate/unit guidelines
- Develop prospects into wins

PDM Roles

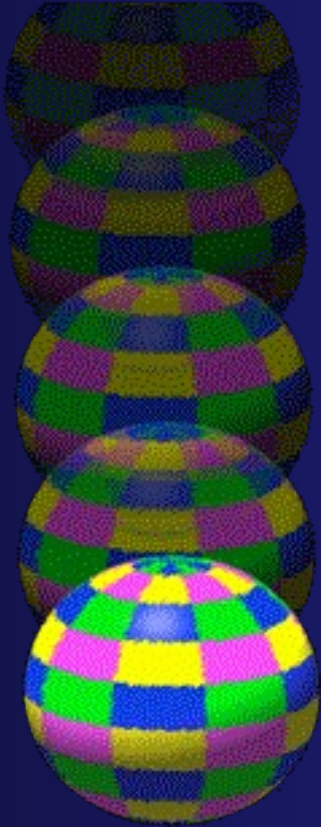| Role	Interfaces	Function
Identification	• Marketing • Customers • Teammates	• Identify business prospects that satisfy LRP objectives
Qualification	• Customers • Management • Marketing • Technical Staff	• Establish that the prospect is real, that it can be won, and its cost is acceptable
Development	• Customers • Teammates • Management • Technical Staff • Administrative Staff	• Develop solutions to customer problems • Convince customer our solution is best • Conduct teaming negotiations • Direct technical staff • Sell management on bid • Coordinate with contracts, controller
Proposal	• Management • Technical Staff • Administrative Staff • Teammates	• Prepare and implement winning strategy • Administer proposal

PDM Responsibilities

- The PDM is corporate representative
  - Maintain company ethics
  - Be knowledgeable of capabilities and goals
  - Work within assigned authority
  - Give value on all customer contacts
  - Ask for the "order" -- and follow-up

- The PDM is a chief internal salesman
  - Qualify programs to unit long-range plan
  - Coordinate within unit and company
  - Use resources ($ and people) well

Understand your responsibilities and be accountable for them.

Rules for Customer Interfacing

1. Never waste the customer's time
   - Avoid uncoordinated visits
   - Always have a purpose
   - Schedule visits directly (never through a boss!)
   - Strive for brevity

2. Always leave value
   - Information about products, programs, tests, etc.
   - Analysis performed on the customer's problem

3. Be consistent
   - Don't be a "fair weather" visitor

4. Interface with the right people
   - Judge and respect biases toward: rank, technical, personalities, authority, etc.

Rules for Customer Interfacing (cont'd)

5. Establish Integrity
- Don't knock competition
- Don't oversell our virtues
- Don't evade problems
- Be able to maintain confidences

6. Give presentations sparingly
- Always for a point
- Usually about a customer's program
- Don't use "canned" information of no interest or value (e.g., org charts)

7. Respect his position
- Never compromise on gifts/lunches/etc.
- Coordinate on visits to the customer's bosses
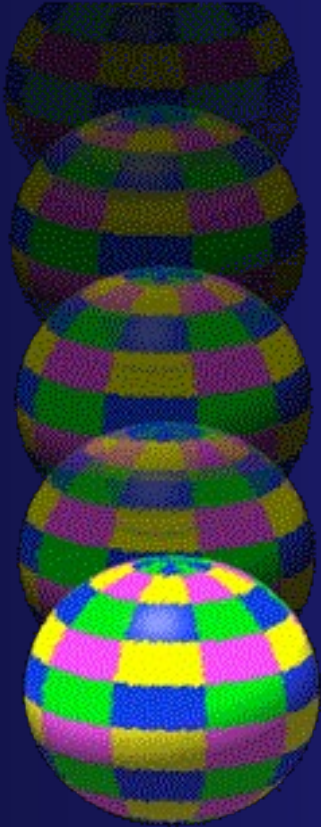
Long Range Planning

"Would you tell me, please, which way I ought to go from here?"

"I don't care where…"

"…so long as I get somewhere
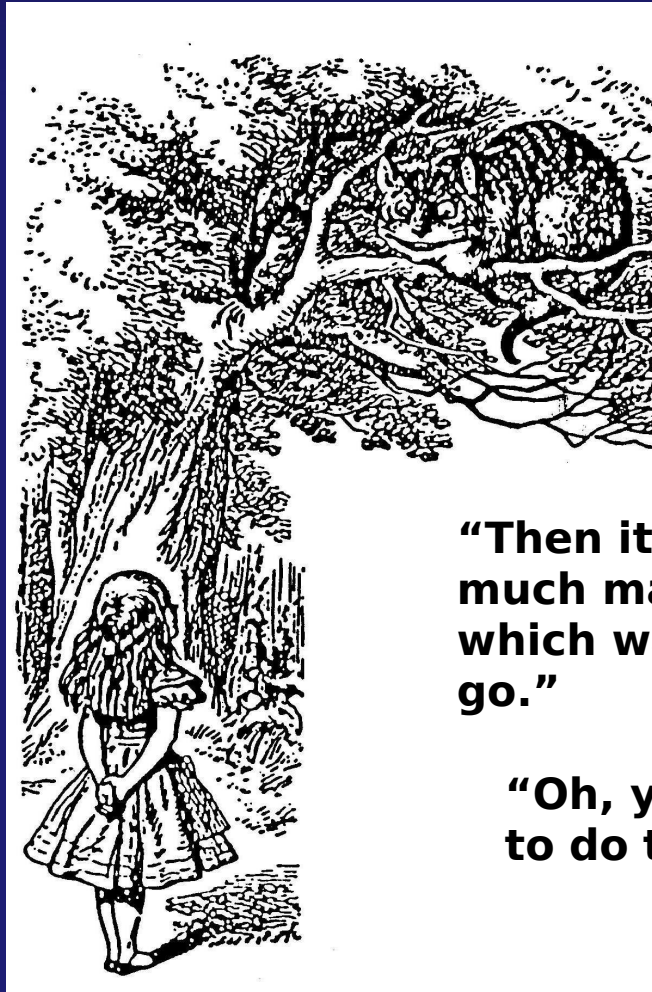
"That depends a good deal on where you want to get to."

"Then it doesn't much matter which way you go."

"Oh, you're sure to do that."

Revenue Goals Drive Business Development
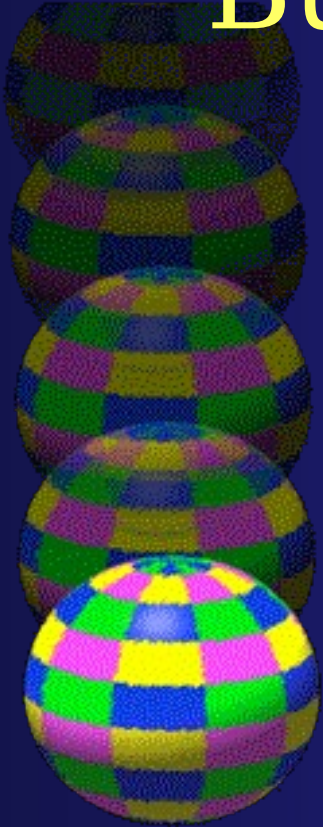
REVENUE GOALS DRIVE BUSINESS DEVELOPMENT
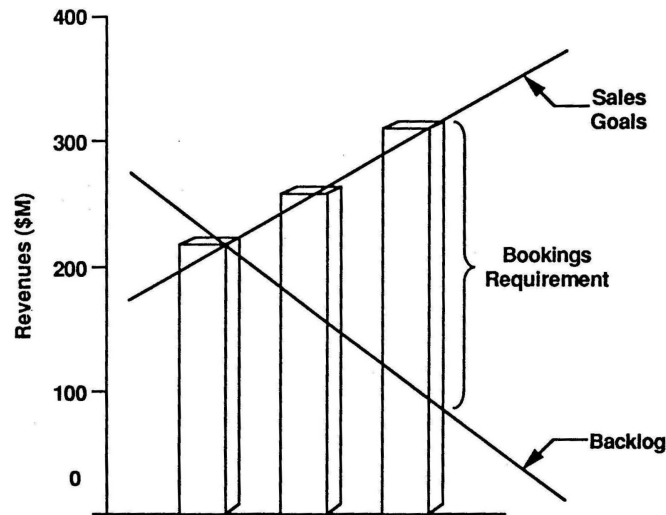
- Essentially, bookings must satisfy next year's revenues
- Revenue growth goals about 20% per year

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Required Prospecting to Satisfy Bookings

Sales Funnel Diagram

SALES FUNNEL

Above Funnel — Data suggests a possible order or fit

Kind of work = **QUALIFY**

In Funnel — Contacted at least one Buying Influence

Kind of work = **COVER THE BASES**

Data verifies a possible order

Best Few — Order is expected in 1/2 (or less) of the normal selling cycle

Kind of work = **CLOSE**

- I know next step(s)
- Little or no luck involved

ORDER
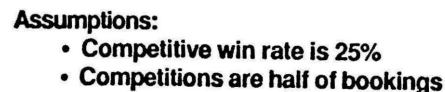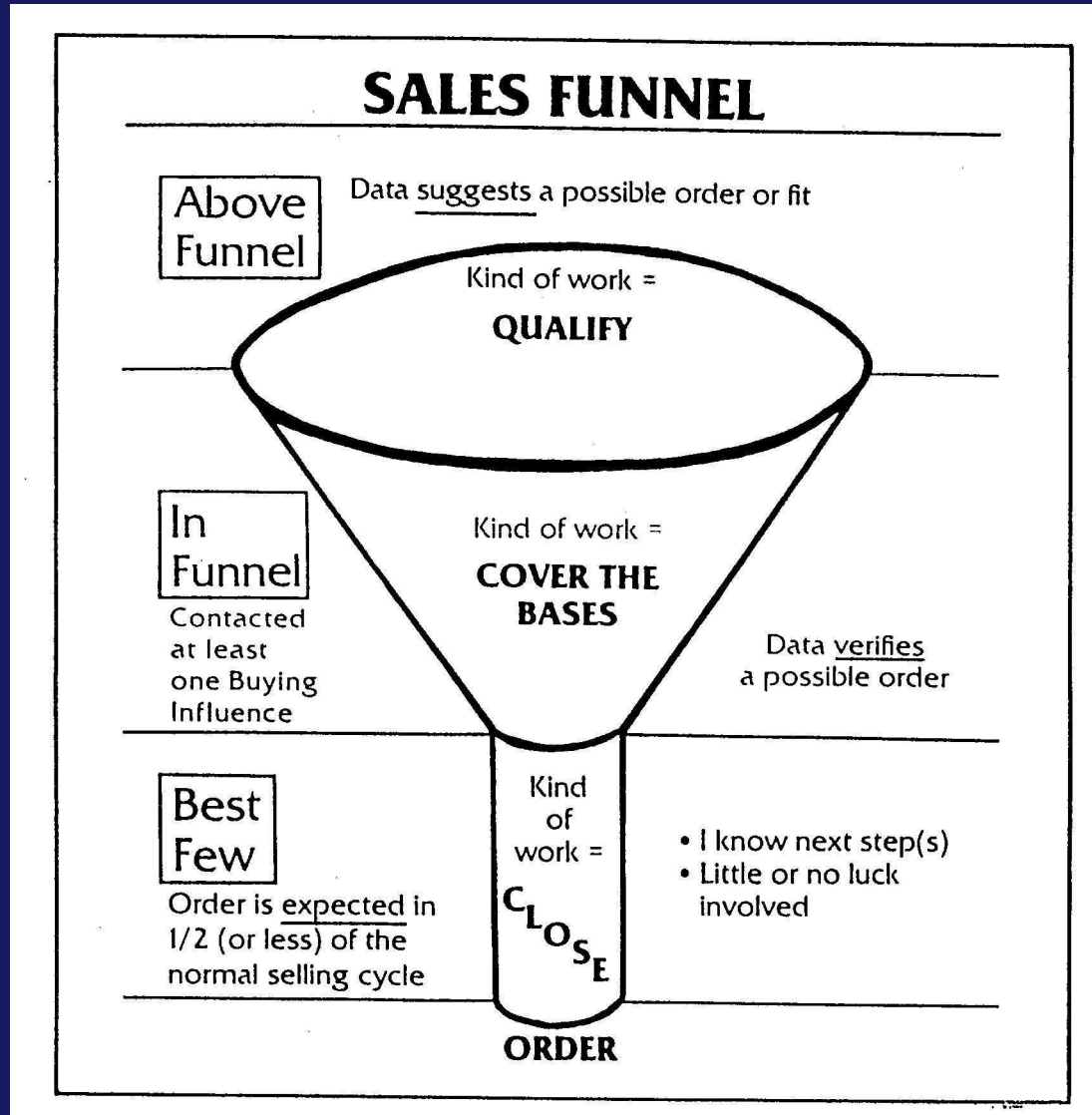
Time Allocation

- Ultimate Goal is to Move Sales Objectives Down the Tunnel
  - Setting priorities to all three levels
  - Allocating limited time so things get done
- Avoid "Dry Funnel" or "Roller Coaster Effect"
- Solution
  - Close best few sales objectives
  - Prospect & qualify above the funnel
  - Work objectives in the funnel
- Everything Starts at the Top of the Funnel
  - Regular priority
  - Allow or set time aside for prospecting
- Not Static Process

Time Allocation Factors

- Number of Tasks Per Next Funnel Step
- Quality of Work to be Done
- Dollar Payoff
- Product/Service Mix Quotas
- Investment in the Future
- Buying Cycles
- Used as a Forecast Tool

Program Development

"If we pull this off, we'll eat like kings."

Phases of Marketing

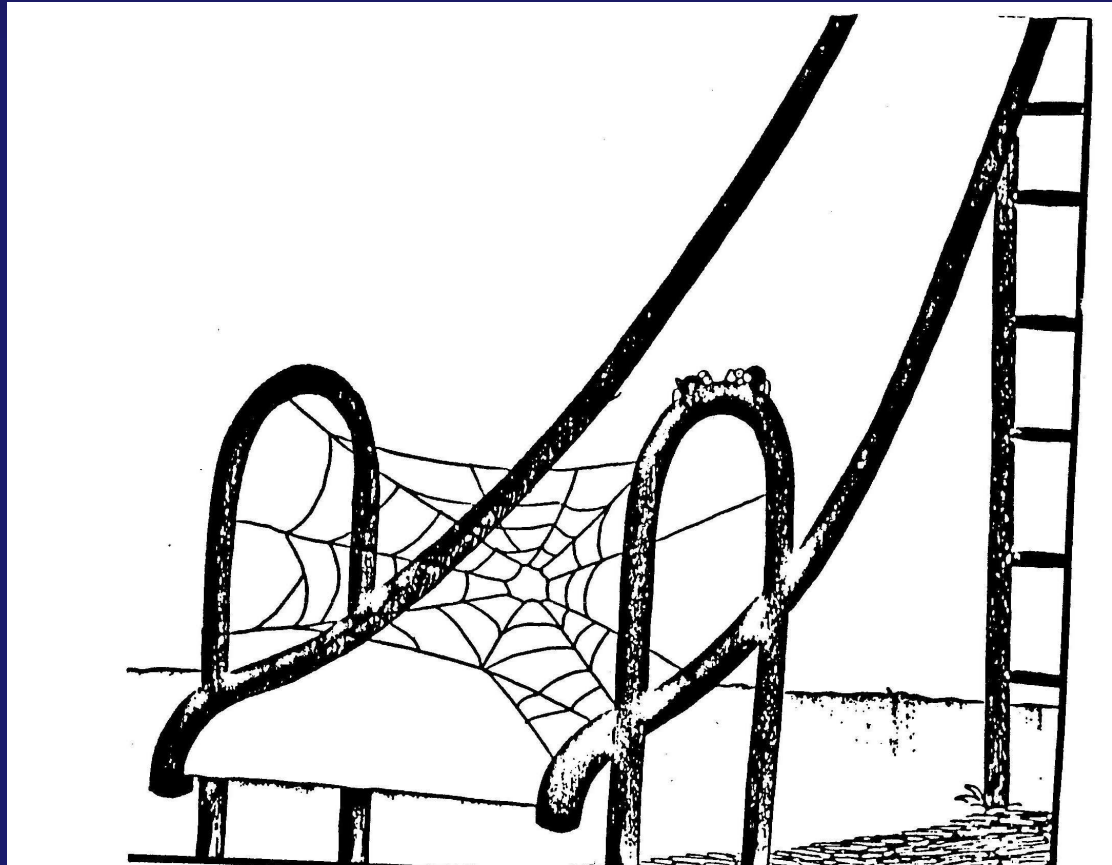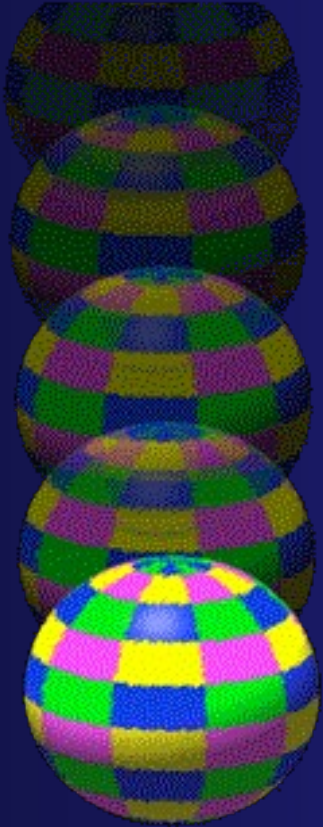|	Prospecting	Identification	Qualification	Development
Time-to-Contract (Typical)	• >18 mos	• 9-18 mos	• 6-9 mos	• 6 mos
Information Gathering	• POMs • MENS • Informal discussions • Unsolicited proposals • Top-down policies	• In-house studies • User interaction • Costs being scoped	• Funded studies • Work statements • Public discussions	• Full public awareness • Numerous documents • Customers all knowledgeable
Information Analysis	• Sketchy data • Separation of wheat from chaff • Largely oral information	• More written documentation • Early planning concepts	• Reconcile conflicting data • Determine driving concepts	• Secure individual outlooks • Form best guess at financials
Marketing Activity	• Prepare concepts • Sell "correct" perception of company • "Trade" Information	• Freebie studies • Influence concepts and directions	• Develop concept • Sell approach, technology and evaluation criteria • Make program bid/no-bid	• Full-court press on all customers • Put team in place • Final concepts and technology

The Program Development Cycle

Preliminary Phase

Program Data

Program Analysis
- Basics
- Problems
- Our approach

Prepare Concept
- Presentation
- Back-up studies

Present Approach
- Key people
- Users
- Technologies

Obtain Feedback and Correct

Detailed Development

Complete Database
- Library
- User visits
- Vendors
- Etc.

Detailed Analysis
- Concept/approach
- Discriminants
- Weaknesses
- Required teaming
- Etc.

Develop Demonstrations, Prototypes, Presentations
- Supporting data
- Operating demos
- Stress

Sell Approach/Capability
- Users
- Acquisition
- Neutrals

Obtain Feedback and Correct

The Closing Game

Will we win?
- Strengths
- Weaknesses
- Remedial strategies
- Competitive

Make/Buy
- Augmenting team
- Negotiating
- Selling team

Selling Our Approach
- RFP packages
- Key people

Preparing to Propose
- Getting data
- Asking hard questions
- Resolving problems
- How much do you do?

Business Development Functions

Long-Range Planning	Program Identification	Program Qualification	Business Development	Proposals
• Markets • Products • Goals • Strategy • Budgets	• Government environment • Information sources • Marketing • Customer visits	• Is it real • Can we win • Is it worth it • Marketing plans • Internal selling	• Delineating problems • Adding value • Packaging • Teaming • IR&D • Organizing • Competitor analysis	• Organizing • Budgeting • Planning • Control • Reviews • Pricing

The importance of understanding and implementing your strategy

Components of Program Development Plan

1. Background
   - Program
   - Customers
   - Financial history
2. System description
3. Technology
4. Customer issues
5. Analysis of our capability
   - Strengths/weaknesses
   - Alternatives to remedy weaknesses

- Relation to existing systems
- Schedule/key events
- Potential award sizes

Components of Program Development Plan (cont'd)

6. Sales strategy
   – Approach
   – Teaming
   – Pricing
7. Resources required to compete
   – Financial
   – Staff
   – Financial analysis
8. Critical issues
9. Action items/schedules
10. Customer contact plan

   – Capital
   – IR&D/B&P
   – ROI, risks, bail-out points, etc.

50% of plan volume

Organizational Analysis -

	Procuring Command	Acquisition Command (e.g., ASC)	Headquarters Command (e.g., HQ USAF)	OSD	Users
Executive	Commander Deputy Commander Engineering Technical Director FCRC Director	Commander	Commander	Service Secretary DDRE C^3I Exec	Commander Planning

Procurement	Director
	PCO
	Buyer
	Analyst
		Directorate
		Weapon System
		  P.O.
			System
			  Managers
				DCAA
				DCAS
				ACO
				Contracts
				  Management	

Program Management	Program Office
	  Director Deputy
	Technical Director
	Engineering
	Program Control
	System Manager
	Subsystem Managers
	Function Engineering
	  Chiefs
			Program
			  Element
			  Managers
					Systems
					  Planning

Technologists	FCRC Specialists Software Test and Integration C/M	EDP Avionics Office			User Specialists

Successful Teaming Factors

Factor	Good	Bad
Interface between executives	• Handshake agreement between executives • Multiple contacts • Clear commitment to win	• Holding for bid decision • Too remote or busy to meet • Too difficult to approve teaming agreement

Prime's program manager	• Demonstrated authority
	• Understanding of strategy
	• Respected by customer
	• Decisiveness
	• Will he stay on program
		• Split authority:
		  - Program manager
		  - Proposal manager
		  - Line manager
		• New employee

Knowledge of program	• Knows all key players well (visits, prejudices, etc.) • Technical staff has worked problem areas • Key discriminants apparent and convincing	• Reliance on new hires • Expectation that we provide "customer know-how"
Prime's win plan	• Matches ours • Consistent with customer goals • Definite involvement for us	• Based on success with other customers • Vague as to our role

Successful Teaming Factors (cont'd)

Factor	Good	Bad
Prime's organization	• Staff committed and visible • Facilities/commodities in place • All elements show awareness of win basics	• Bureaucratic organization • Line groups co-equal authority with program office
Understanding of functional roles	• Explicit allocation of proposal and program roles • Provision for future activity • Coordination on other subs	• Expedient teaming to win only • Disgruntled technical staff • Line management not in accord
Understanding of scope	• Explicit assignment of work by percentage • Anticipation of changes to SOW by government • Approval of our role in bids and BAFOs	• Delayed until RFP issuance • Vague allocations
Customer reaction	• "That's a good team!"	• "Interesting"

If you aren't positive it's a winner, it probably isn't.

For discussion....

Account Profile and Status Report — Overview

Prospect Title: ISEPD II C-CS SUPPORT		Date of First Report: 13 SEP 91	
Prospect No.:	B&P Charge #:	Date of Update Report: 21 FEB 92	
Market Segment #: 4	Lead LGN Oper. Unit: S&ISD	Subdivision: AAS	
Marketing Lead: R. SPEER		PDM: R. SCHANE	

Opportunity Category(s):		Competitive New Start		Competitive Recompete	X
Follow-on	Add-on	Option	Sole Source	Prime	Sub X

Procurement Agency Name: WPCC/PMYJ

Address: WPAFB, OHIO 45433

Program Office: AFLC/LMSC/SX2

Contracting Office: WPCC/PKYJ	Type of Contract: FFP & LH

Key Contacts: Edith Konys (PCO), Marie McManus (Buyer), Col Gary Musgrove, Greg Burton

User: LMSC, ALC, AGMC, AMARC, CASC	User Point of Contact: Multiple POCs
Sponsor: AFLC/LMSC/SX2	Sponsor Point of Contact: Jerry George

Brief Description of Program:

Provide Info Systems Engineering, Prototyping and Development (ISEPD) support to AFLC/LMSC for Communications-Computer Systems (C-CS). Ten awards: 4 open, 4 small, 2 SDB. We are bidding two ways: sub to small business Aries Systems Intl (ASI); and sub to large business Harris Data Services.

Program Approval Status & Funding Status: Program & funding ceiling is approved.

Est Contract Value Total $30M by GFY	GFY 93	GFY 94	GFY 95	GFY 9X
(Logicon Share)	2.25M	2.25M	2.25M	
(Operating Unit & Share) SISD 67%	$1.5M	$1.5M	$1.5M	
(Operating Unit & Share) LTSI 28%	$0.65M	$0.65M	$0.65M	
(Operating Unit & Share) ETECH (5%)	$0.1M	$0.1M	$0.1M	

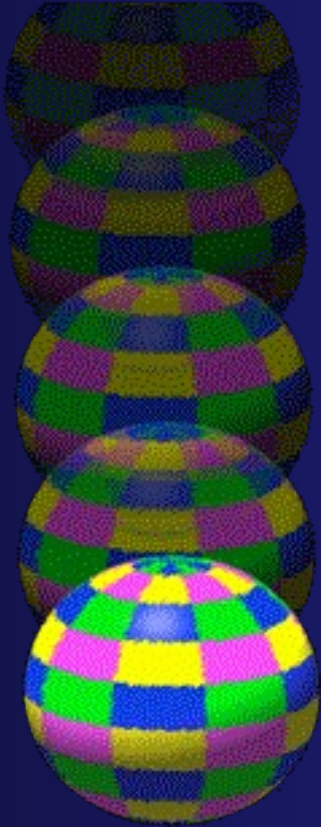|	Estimated RFP Release Date	Proposal Due Date	Estimated Award Date	Probability of Win	Length of Contract
Last Month	24 FEB 92	25 MAR 92	1 NOV 92	10%	3 YRS
This Month	18 MAR 92	17 APR 92	1 NOV 92	10%	3 YRS

BDF 100 (1/92)

Summary

- Usually First Contact
- Information Gathering Extremely Important
- Effective Tool If Used Correctly by Action Officer
  - Better proposal
  - The required product
  - Lower price
- Acquisition Community Aware Users Have Industry Contacts
  - Knowledge of the process
  - Results oriented
  - Verification of acquisition community intelligence
  - Is Part of the "Business Process"

Value added.

Next...

- Acquisition Environment and Process Overview
- Marketers, Business Development, and the Action Officer
- Requirements Generation Process ⬅
- Contracting
- Financial Management:
  - Cost Estimation
  - PPBS/Resource allocation
  - Program/Budget Execution
- Program Execution
- Production & Deployment
- System Upgrades/ Modifications